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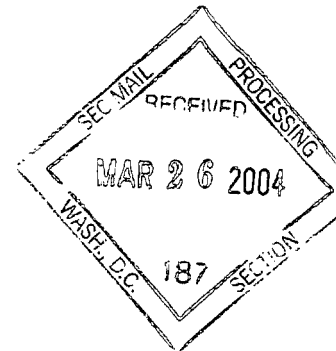


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Securities and Exchange Commission  
Office of International Corporate Finance  
Division of Corporation Finance  
450 Fifth Street, NW  
Washington, DC 20549  
USA

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## Australian Stock Exchange Filing

- Announcement entitled "ABN AMRO Technology Forum Presentation".

Beth Jones

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Australian Stock Exchange Limited  
ABN 98 008 624 691  
Exchange Centre  
Level 4, 20 Bridge Street  
Sydney NSW 2000

PO Box H224  
Australia Square  
NSW 1215

Telephone 61 2 9227 0334

Internet <http://www.asx.com.au>  
DX 10427 Stock Exchange Sydney

**FACSIMILE**

**Department: COMPANY ANNOUNCEMENTS OFFICE**

DATE: 17/03/2004

TIME: 15:07:55

TO: ERG LIMITED

FAX NO: 08-9273-1208

FROM: AUSTRALIAN STOCK EXCHANGE LIMITED - Company Announcements Office

SUBJECT: CONFIRMATION OF RECEIPT AND RELEASE OF ANNOUNCEMENT

**MESSAGE:**

We confirm the receipt and release to the market of an announcement regarding:

ABN AMRO Technology Forum Presentation

**PLEASE NOTE:**

In accordance with Guidance Note 14 of ASX Listing Rules –

- Use of ASX Online for lodgement of company announcements becomes mandatory from **1 July 2003**
- **Handwritten** and **hand-delivered** company announcements are no longer accepted
- Fee of A\$38.50 (including GST) applies from **1 March 2003** for announcements **faxed** to CAP
- New CAP fax number from **1 March 2003** for announcements sent within Australia is **1900 999 279**



ASX.Online@asx.com.au

17/03/2004 12:07

To bjones@erggroup.com, koswald@erggroup.com,  
sduffy@erggroup.com, ggeen@erggroup.com

cc

bcc

Subject ERG - ASX Online e-Lodgement - ABN AMRO Technology  
Presentation (Ref: CMP-0014-01)

ASX confirms the release to the market of Doc ID: 123357 as follows:

Release Time: 17-Mar-2004 15:07:47

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File Name: 123357.pdf

Your Announcement Title: ABN AMRO Technology Forum Presentation



123357.pdf

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**TO** Company Announcements Office  
**AT** Australian Stock Exchange Limited **Lodged Electronically**  
**REF** CMP-0014-01  
**FROM** Clare Barrett-Lennard **DATE** 17 March 2004  
**FAX** +61 8 9273 1208 **PHONE** +61 8 9273 1879 **PAGES**  
**RE** **Announcement**



**ERG**  
GROUP

Dear Sirs

Please find attached a presentation delivered today by ERG's Asia Pacific Managing Director, Mr Rob Noble at a technology company forum in Sydney organised by ABN AMRO Morgans.

Yours faithfully

**Clare Barrett-Lennard**  
Company Secretary

FACSIMILE

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ERG Limited ACN 009 112 725 a member of the ERG Group



**ABN AMRO Technology Forum  
Sydney 17 March 2004**

## **Developments and Trends in Mass Transit Smart Card Ticketing**

**Robert H. Noble  
Managing Director – Asia Pacific  
ERG Group**

ABN AMRO Investor Conference – 17 March 2004  
MASS Transit Smart Card Ticketing  
ERG Confidential

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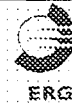
## **Presentation Outline**

- Current and planned deployments - industry wide
- Principal business drivers
- General system features
- Developments and trends
- ERG Group
- Competitive advantages
- Major business challenges

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## Current & Planned Deployments - Industry wide



- Hong Kong's Octopus the genesis
- Rome, San Francisco, Singapore, Delhi, Taipei, Shanghai etc now in public revenue service
- Seattle, Las Vegas, Montreal, Washington DC (Multi Operator), London, Gothenburg, Stockholm, Oslo, Brisbane, Sydney etc in planning or build phase
- Proposed regional schemes include Netherlands, Mexico and UK (partly)

## Principal Business Drivers - Operators



- Asset renewal (technology upgrade)
- Reduction in operating costs over magnetic tickets (up to 45%)
- Reduction in "fare box" revenue leakage (10-30%)
- Efficiency and productivity gains (boarding/throughput)
- Improved citywide service integration, co-ordination and resource utilisation
- Environmental, social equity and mobility objectives
- Improved data for planning



## Principal Business Drivers - Consumers

- Faster boarding time
- Simpler and more flexible products – Autoload
- Much improved reliability
- Automatic concession recognition
- Ease of use, especially for mobility and visually impaired
- Beyond transit utility
- E-Tag type convenience

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## General System Features

- Citywide multiple operators/multi modal
- Citywide ticketing products:
  - Common business rules
  - Tickets → Electronic Purse
  - Operator specific products (loyalty based)
- Greater system closure via tag-on tag-off operations
- Contactless operations

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## General System Features

- Multi-channel on and off system reload/refreshment
  - Interfaces into mainstream payment systems e.g. EFTPOS
  - Integrated hardware solutions
- Shared services:
  - Call Centre (integrated with service enquiries)
  - Card distribution and cardholder support
  - Maintenance and cash collection services
  - Marketing

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## General System Features

- Commercial Exploitation
  - Extended uses e.g. vending, parking, small value retail
  - Multiple application opportunities
  - Card base leverage
- Turnkey Contracts
  - Supply e.g. Hong Kong, Singapore
  - Supply and operate e.g. Rome, Manchester
  - Supply, operate and exploit commercial rights e.g. Sydney, Brisbane

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## General System Features - Technology



- Most advanced and sophisticated transaction processing and management systems – cards, devices, applications
- Demanding performance requirements:
  - Transaction volumes (e.g. 8M TXN per day, 10M cards for Hong Kong)
  - Exacting revenue accounting and next day settlement
- Demanding requirements
  - Application security and TXN validation
  - Complex products and business rules
  - Provision for multiple card issuers and application providers

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## Developments and Trends



- Emerging trends in system design/deployment to achieve:
  - Improving business cases through scale economies
  - Greater "contestability"
  - Encouragement for new entrants
- Single city → Multiple cities/regional systems
- Universal acceptance of contactless smart card technology for modern ticketing systems
  - Smaller cities to tap into established systems
- Single → Multiple supply/operate contracts
  - Reduction in operator risk
  - Improve pricing through "competitive tension"
  - Periodic re-tendering of some services

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## Developments and Trends

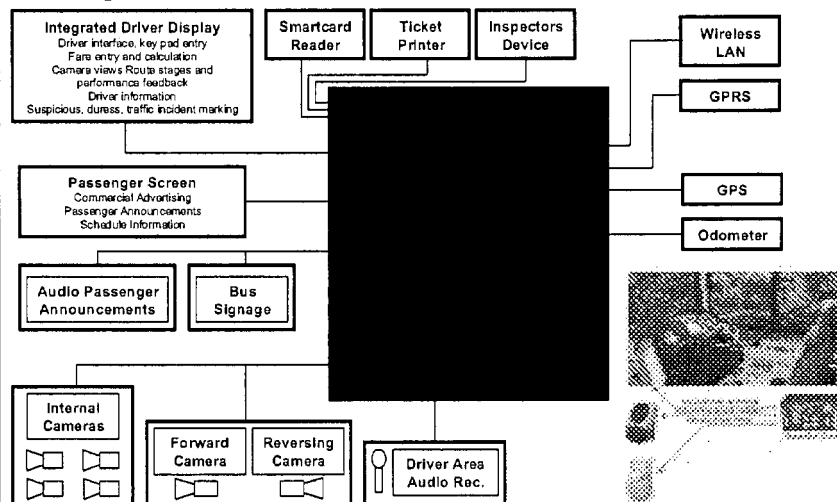


- Proprietary → "open standards"
  - Emergence of interoperability standards e.g. ITSO (UK), ATIP (Australia)
  - Convergence/leverage of other technologies e.g. mobile telephony
- Stand Alone → Integrated Solutions
  - Integration with mainstream payment systems
  - Small value transaction markets e.g. vending, parking, tolling, retail
  - Multiple applications on cards
  - Intelligent transport systems

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### An Integrated Solution



## ERG GROUP



- The ERG Group is acknowledged world leader in the design, supply and operation of integrated ticketing systems for mass transit
- Installed systems in major cities throughout the world including Hong Kong, Melbourne, Rome, San Francisco and Singapore
- Winner of numerous awards including the prestigious Sesame Award for both the Hong Kong and Singapore Systems
- "Work In Progress" includes smart card ticketing systems for Gothenburg, Seattle, Stockholm, Sydney and Washington DC

## ERG GROUP



- Delivered ticketing systems to over 200 customers worldwide; many with on-going maintenance
- Delivered smart card systems support 20M cards, process 5 billion transactions per annum
- Currently employs 800 personnel in 11 countries



## Competitive Advantages

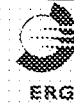
- Primary focus on mass transit ticketing/smart cards – first commercial transit application in 1987
- Internationally recognised as leader for transit – based smart card technology
- Envious reference sites e.g. Hong Kong, Singapore
- Strong customer relations – significant repeat business
- Extensive knowledge from 200 transit customers world-wide



## Competitive Advantages

- Substantial sunk investment in smart card technology e.g. MASS – Less development work on new projects
- Strong supporter of standards, "open systems", and multiple suppliers
- Proven "track record" in all facets of the supply chain
- Highly experienced, knowledgeable and dedicated employees and Board Directors
- Solid order book – several major projects underway

## Major Business Challenges



- Delivering complex major projects on time
- High bond and insurance market costs – cash bonding
- Reducing COGS and corporate overheads
- Funding of project development work prior to payments
- Long lead times, potential delays associated with mass transit ticketing projects
- Maximise re-use of already-developed systems
- Retain/expand recurring revenues from Operating/Maintenance contracts
- Selectively bid for \$1B of ticketing contracts over next 12 months

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Thank you



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